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2002 HOLIDAY SHOPPING SEASON COMES TO A CLOSE WITH CONSUMERS SPENDING MORE THAN \$13.7 BILLION ONLINE, ACCORDING TO GOLDMAN SACHS, HARRIS INTERACTIVE AND NIELSEN//NETRATINGS

Web Spending Jumped More Than 24 Percent Year-Over-Year, with Women and Younger Shoppers Comprising a Greater Share of the Online Shopping Population

ROCHESTER, NY and NEW YORK – January 6, 2003 – Wrapping up the 2002 online holiday shopping season, consumers spent nearly \$13.7 billion, according to the eSpending Report from The Goldman Sachs Group, Inc., Harris Interactive®, and Nielsen//NetRatings. Online spending jumped more than 24 percent year-over-year, up from \$11 billion spent in 2001. Including travel, online spending grew nearly 22 percent to \$15.7 billion.

Shoppers surveyed in the eSpending Report noted that more than 16 percent of their holiday budgets were slated for online purchases, as compared to just 14 percent during the 2001 season. The survey also showed spending patterns at two ends of the spectrum, with some shoppers spending earlier in the season and others procrastinating until the very last week before Christmas.

“With each holiday season ecommerce becomes more of a mainstream activity, attracting a greater mass audience,” said Lori Iventosch-James, director of ecommerce research, Harris Interactive. “This season shoppers allotted more of their holiday budget to online spending. And this, combined with an increase in the total ecommerce population helped drive year-over-year growth.”

“Retailers pushing big discounts with free shipping in the beginning of November drove consumers to take advantage of the special savings early,” added Iventosch-James. “We also saw an increase in purchases right before Christmas this year, indicating that shoppers felt more comfortable waiting until the last minute and paying for extra shipping charges to get their gifts on time.”

Consumers spent more than \$3.1 billion in books, music, and video/DVD, driving the category to the top spot during the holidays (see Table 1). Year-over-year, the category posted a 40 percent increase. Rising 20 percent since 2001, apparel recorded \$2.7 billion in sales, while consumers spent nearly \$2 billion on travel.

The top two fastest growing categories for the season were toys and video games and consumer electronics, with shoppers increasing spending for both categories by more than 72 percent. With nearly \$2 billion in sales, consumer electronics claimed the No. 4 ranking among shopping categories, while toys and games posted online spending of more than \$1.8 billion.

Table 1. Top Shopping Categories During the 2002 Holiday Season, Ranked by Spending (11/2-12/27)

Category	Category Spending Online (Millions)	Percent Growth 2001 vs. 2002
1. Books, Music, Video/DVD	3,113	40.0%
2. Apparel/Clothing	2,680	20.3%
3. Travel	1,971	5.8%
4. Consumer electronics	1,960	72.4%
5. Toys/Video games	1,843	72.5%

Source: Goldman Sachs, Harris Interactive, and Nielsen//NetRatings

Online Shopping: Men vs. Women and Young vs. Old

Women comprised 51 percent of the total online shopping population during the 2002 holiday season, as compared to 49 percent of males. This shows a slight change from last season when the breakdown was 50/50.

"The gender breakdown between male and female Internet surfers mirrors the U.S. population, with women comprising a higher audience size over men," said Lisa Strand, director and chief analyst, Nielsen//NetRatings. "Throughout the year women tend to do more shopping online in general, but we see an even parity among the genders during the holidays, as men have an obligation to shop for gifts."

In addition, the eSpending Report reveals that younger shoppers ages 18-24 comprised 7 percentage points more of the shopping population in 2002, as compared to 2001. Younger shoppers made up 17 percent of the total online shopping population this season, while other age groups showed no growth over the past year.

Table 2. Online Shopping Population By Age Group (11/2-12/27)

Age Group	Percent Share of Shopping Population (2001)	Percent Share of Shopping Population (2002)
18-24	10%	17%
25-34	23%	21%
35-44	26%	22%
45-54	22%	21%
55+	19%	19%

Source: Goldman Sachs, Harris Interactive, and Nielsen//NetRatings

Methodology

The eSpending Report by Goldman Sachs, Harris Interactive and Nielsen//NetRatings is based upon a weekly national survey of more than 750 online shoppers (ages 18+) randomly chosen from Harris Interactive's online panel of survey respondents. The eSpending report offers weekly intelligence on online shopping and spending by market segment and tracks consumer attitudes and motivations that drive online shopping. In total, more than 9,000 online shoppers completed these weekly surveys from the beginning of November to the end of December. The survey data is weighted to represent the online population and has an overall precision of +/- 3.6 percent, which varies by question.

About Goldman Sachs

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About Harris Interactive®

Harris Interactive (www.harrisinteractive.com) is a worldwide market research and consulting firm best known for **The Harris Poll**®, and for pioneering the Internet method to conduct scientifically accurate market research. Headquartered in Rochester, New York, U.S.A., Harris Interactive combines proprietary methodologies and technology with expertise in predictive, custom and strategic research. The Company conducts international research through wholly owned subsidiaries—London-based **HI Europe** (www.hieurope.com) and Tokyo-based Harris Interactive Japan—as well as through the Harris Interactive Global Network of local market-and opinion-research firms, and various U.S. offices.

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About Nielsen//NetRatings

Nielsen//NetRatings is the global standard for digital media measurement and analysis and is the industry's premier source for online advertising intelligence with its NetView, AdRelevance, @Plan and WebRF services. Covering 70 percent of the world's Internet usage, the Nielsen//NetRatings services offer syndicated Internet and digital media ratings reports and custom-tailored data to help companies gain valuable insight into their business. For more information, please visit www.nielsen-netratings.com.

Editor's Note: Please source data to Goldman Sachs, Harris Interactive and Nielsen//NetRatings.

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